

## 'Plane Production Hindered by Waste, Report Will Show

Findings of Hughes Inquiry To Be Made to President This Month

Extravagance Exposed  
Mistakes, Delays and Possibly Misuse of Funds To Be Indicated

(Special Dispatch to The Tribune)  
WASHINGTON, D. C., Aug. 12.—Gross extravagance in plants making aircraft, alleged syndicate agreements, much waste of materials and possibly misuse of funds will be shown in the report of the Hughes investigating committee, which will be made this month.

Judge Hughes will return to Washington to-morrow to begin the hearing of final testimony in the investigation. Attorney General Gregory and W. L. Frierson, special assistant Attorney General, will be present. Judge Hughes in the investigation, returned to Washington to-day from Buffalo, where they have been making personal inquiries about aircraft production at the Curtiss plant.

The report, which will be made to the President, will be complete in every detail. It will deal comprehensively with the question of delays, mistakes of judgment and shortcomings of individual companies and plants, and may be the basis of criminal prosecutions.

Report Due Soon  
Asked to-day when the report would be forthcoming, a Department of Justice attorney working on the investigation made this significant reply:

"The fellows that have been making aircraft have made many promises yet unfulfilled and I am not going to put myself in the same hole by advance notices on when the report will be made. We are beginning to see daylight now and the report will be forthcoming just as quickly as we have gathered odd ends together."

Just what action the Hughes report will suggest is not yet clear. The Bureau of Investigation has been running down considerable evidence adduced by the Hughes board, but thus far no announcement has been made positively outlining the irregularities that have been found. While it is expected that certain members of the Signal Corps of the Army will be pointed to as countenancing "gross extravagance," whether this loose business method will constitute actual culpability has not been determined.

Army Not Wholly to Blame

All the blame for the blunders and delays which caused the investigation by the Hughes committee will not be laid at the door of the army officers involved in producing airplanes. The fact that the committee prolonged its stay in Buffalo for a week over the period expected to be necessary to complete the inquiry there was pointed to to-day as

indicating that much evidence of waste and delays was found there. The report of Senate Aircraft Committee, which will not deal with any criminal features of the situation, will be made this week.

The report is expected to disclose many of the weaknesses in the production field, in evidence that deaths of several aviators were traced to mechanical defects in machines used at some of the flying fields.

Sailor in Swimming Is Shot by Dock Guard

John Schweski, a wiper on the steamship Frieda, went swimming yesterday in the Erie Basin, Brooklyn. He attempted to leave the water by way of a government pier, and was shot and instantly killed by Private James Heaney, United States Coast Guard.

According to Heaney, who was on sentry duty, he challenged the sailor, and fired when he failed to heed the order to stay away from government property. The bullet passed through Schweski's shoulder and penetrated his brain.

Sailors on the Frieda declared that Schweski did not hear the sentry's command. Heaney was arrested by Captain James Auerbach of the guard, and is held pending investigation by civil and military authorities.

Young Deserter Is Sent Back to Ranks

AYER, Mass., Aug. 12.—How army discipline was satisfied in trying the case of a sixteen-year-old soldier who deserted to support his mother and two small brothers came to light at Camp Devens to-day. Two days last August, after Russell R. Vaughn enlisted in Company I, of the 42d Infantry, at Council Bluffs, Iowa, he received word from his mother that his father was unable to work and that she and the children were dependent on charity.

Without applying for leave the boy went home and for six months supported the family. The day his father was able to resume work Russell gave himself up to the military authorities at Fort Omaha.

The case was so plainly against the boy when he was court-martialed for desertion, that the court was obliged to sentence him to three years at hard labor, forfeiture of pay and allowances and dishonorable discharge. Major Barratt O'Hara, former Lieutenant Governor of Illinois, now Judge advocate at Camp Devens, where the boy's regiment had been transferred, recommended clemency. The sentence thereupon was changed by Colonel George L. Byroade, commandant at the camp, to six months at hard labor. With all the requirements of strict army discipline met, Colonel Byroade, in the next breath, suspended the second sentence and, with a bit of soldierly advice, restored the boy to his old place in his company.

Socialists Stand By Pacifist Planks

CHICAGO, Aug. 12.—The Socialist party's national conference of state chairmen adjourned to-night without a suggestion as to the amendment of the St. Louis platform of the party, the anti-war principles of which have resulted in the indictment of many party leaders.

"The most of us are already under indictment, so how anxious to be scared into modifying the St. Louis platform in any respect," said Victor Berger, the Socialist who ran for United States Senator in Wisconsin and was indicted in the midst of his campaign.

## Wilson Approves State Council Extension Plan

Will Be Used by Federal Departments Wherever Possible

Praises the Work Done  
President Declares Organizations Can Be of Great Aid to Nation

ALBANY, Aug. 12.—Governor Whitman, chairman of the State Defence Council, announced to-day that the scope of work undertaken by the State Defence Council probably will be broadened soon, the President having approved a suggestion of the Secretary of War that Federal departments hereafter utilize the State Defence councils wherever possible rather than extending their own organization.

The Governor gave out copies of correspondence between the Secretary of War and the President, in which the President asked the Secretary of War to express his appreciation to the State Defence councils for the work they have performed.

New York's Good Work  
The New York State Defence Council is one of the most thoroughly organized in the country, having been extended into every community through the formation of what are known as community councils, and this feature of the state's war organization called forth specific praise from the President, who said:

"I am particularly struck by the value of extending our defence organization into the smallest communities and by the truly democratic character of a national system so organized." The Secretary of War, in his report to the President detailing the work of the State Defence councils, said that these organizations are "now in a special sense the guardians of civilian morale in each state, carrying on a work of education and information which we look to see continued and strengthened, in order that the will to win and the knowledge of how to make that will effective may be everybody's possession throughout the war, in the dark hours of trial as well as in the hour of victory."

President's Reply  
In his answer the President said:

"I have read with great interest your account of the achievements of the State Councils of Defence and your general summary of the activities in which they are now engaged. It is a notable record, and I shall be glad to have you express to the state councils my appreciation of the service they have so usefully rendered."

"I believe in the soundness of your contention that in the interest of economy and efficiency such machinery as that provided by the State Council system for the execution of many kinds

of war work should be utilized as far as possible by Federal departments and administrations. May I suggest, therefore, that you communicate to the heads of all such departments and administrations my wish that when they are considering extensions of their organization into the states, or new work to be done in the states, they transmit all requests for action by the State Councils through the state councils section of the Council of National Defence."

Electrification of All Railroads Is Favored by McAdoo

(Special Dispatch to The Tribune)

WASHINGTON, Aug. 12.—Director General of Railroads McAdoo, on his return to Washington after a two months' tour of the West, to-day expressed the opinion that the great unused water power facilities of the country ought to be developed to supply current for a national electrification of the railroads. This programme would be recommended to Congress Mr. McAdoo strongly intimated, if Government control of the railroads continues for any considerable period.

Director General McAdoo holds the opinion that there is sufficient unused water power in the country to operate the entire national railroad system if it is coupled with the developed water properties, now operated largely by public service corporations.

Electrification of the roads, Mr. McAdoo pointed out, would mean the elimination of the major burden now imposed on the railroads, i. e., the tremendous coal haul. In addition, it would release to other more essential uses the great labor army now engaged in mining and handling this fuel. Finally, it would conserve the fuel resources of the country for use in sections where water-developed electricity is unavailable.

While the Director General would make no prediction of early action looking toward large scale electrification of the roads, it is considered possible that the railroad administration will commence experiments with electrification at an early date in sections where water-developed electricity may be used to advantage.

Gerard Cancels Speech As He Sees Plan to Capitalize It

ASBURY PARK, N. J., Aug. 12.—James W. Gerard to-day cancelled his engagement to speak at Ocean Grove on Wednesday night on "Face to Face With Kaiserism," on learning of an advertisement which stated that offerings of silver or bills would be accepted.

Mr. Gerard declared that he never had accepted a penny for any address, or even incidental expenses. If the auditorium management wanted to make money, he said, it should have stated clearly in the advertisement that no part of the collection was for Mr. Gerard.

Airman, Reported Dead, Lives

ORANGE, N. J., Aug. 12.—"I'm much alive and impatient to get at the Huns," was a telegram received to-day by Mrs. William R. Baird, of 144 Ralston Avenue, South Orange, from Henry Boyle, an aviator in France, who had recently been reported unofficially as having been killed in action. Boyle had been a chauffeur for Mrs. Baird up to the time of his enlistment.

## Mrs. Skeffington Is Released From Jail

English Authorities Warn Her Not to Return to Ireland

LONDON, Aug. 12.—Mrs. F. Sheehy Skeffington, who since her deportation from Ireland had been detained in Holloway Prison, has been released. The authorities told her that she must return to Ireland without their permission.

Mrs. Skeffington eluded the British police and went to Ireland August 3. She was arrested in Dublin August 8. Mrs. Skeffington is the widow of F. Sheehy Skeffington, formerly editor of "The Irish Citizen." He was killed by a British officer during the Sinn Fein rising in Ireland early in 1916.

## 20-Story Fall Down Shaft Kills Woman

Elevator Man's Leg Torn Off in Attempt to Save Hotel Visitor

Mrs. Annie Capthorn fell last night from the twentieth floor of the Hotel Gotham, Fifty-fifth Street and Fifth Avenue, down an elevator shaft to the sub-cellar, fracturing her skull and suffering internal injuries, which caused her death in Bellevue Hospital. The right leg of Isidor Sommer, elevator operator, who leaped from his car to save her, was torn off at the hip by the descending car.

The dead woman lived at 358 West Fifty-third Street and had been visiting her sister, the hotel housekeeper, on the twentieth floor. When she reached the elevator shaft on her way home the car was at the floor above and the door into the shaft is said to have been open.

After ringing the bell Mrs. Capthorn lost her balance and pitched forward into the shaft. Sommer, who had started his car down, saw her topple and leaped in the hope of throwing her back to safety. He missed her and struck heavily on the threshold of the shaft door.

The car descended upon his right leg and amputated it. He retained consciousness long enough to explain the accident to the hotel physician. Both the injured persons were taken to Bellevue Hospital. Sommer lives at 407 East Fifty-seventh Street.

Postoffice Department Takes Control of Air Mail

WASHINGTON, Aug. 12.—Considering that the air mail service no longer is an experiment, the Postoffice Department to-day assumed control of the New York-Philadelphia-Washington routes, as the first step in plans for the establishment of nation-wide air-plane mail.

The service had been maintained by the War Department. Six new 'planes were placed in service with christening ceremonies to-day at College Field, Md.

O'Leary Taken to Wife's Bedside by U. S. Officers

Jeremiah O'Leary visited his wife at their home, 14 June Terrace, yesterday afternoon, and spent three hours in conversation with her at the bedside, returning to the Tombs, accompanied by two United States deputy marshals shortly after 5 o'clock.

At the O'Leary home last night, it was said that Mrs. O'Leary was still in a weakened condition, but appeared to be much cheered by her husband's visit.

## President Wilson Pays High Tribute To Paul Warburg

Great Loss to Service, He Writes Banker About to Quit Reserve Board

Letters Are Given Out

Retiring Officer Says Issue as to His Loyalty Inspires Action

WASHINGTON, Aug. 12.—Letters exchanged between President Wilson and Paul M. Warburg, relative to Mr. Warburg's retirement from the Federal Reserve Board were given out here to-day. They follow:

WASHINGTON, May 27, 1918.

My Dear Mr. President:  
On August 9 my four-year term of office as a member of the Federal Reserve Board will expire. I do not know whether or not, under the constant burden of grave and pressing decisions, you have reached the point where you wish to deal with the question of naming my successor, or whether or not you contemplate to have me continue in this work. Nor would I presume to broach this question were it not that I felt that, in consequence of recent occurrences, it has become one of policy rather than of personalities.

Certain persons have started an agitation to the effect that a naturalized citizen of German birth, having near relatives prominent in German public life, should not be permitted to hold a position of great trust in the service of the United States. (I have two brothers in Germany who are bankers. They naturally now serve their country to the utmost of their ability, as I serve mine.)

Loyal to America

I believe that the number of men who urge this point of view is small at this time. They probably have not a proper appreciation of the sanctity of the oath of allegiance or of the oath of office. As for myself, I did not take them lightly. I waited ten years before determining upon my action, and I did not swear that "I absolutely and entirely renounce and abjure all allegiance and fidelity to any foreign potentate, and particularly to Wilhelm II, Emperor of Germany," etc., until I was quite certain that I was willing and anxious to cast my lot unqualifiedly and without reserve with the country of my adoption and to defend its aims and its ideals.

These are sad times. For all of us they bring sad duties, doubly hard indeed for men of my extraction. But though as in the Civil War, brother must fight brother, each must follow the straight path of duty, and in this spirit I have endeavored to serve during the four years that it has been my privilege to be a member of the Federal Reserve Board.

Regrets Growing Suspicion

I have no doubt that all fair-minded and reasonable men would consider it nothing short of a national disgrace if this country, of all countries, should

condone or indorse the attitude of those who would permit the American of German birth to give his all, but would not trust him as unreservedly and as wholeheartedly as he, for his part, serves the country of his adoption. Unfortunately, however, in times of war we may not always count upon fair reasoning. It is only too natural that, as our casualty lists grow, bitterness and undiscriminating suspicion will assert themselves in the hearts of increasing numbers—even though these lists will continue to show their full proportion of German names.

Much to my regret, Mr. President, it has become increasingly evident that, should you choose to renominate me, this might precipitate a harmful fight, which in the interest of the country I wish to do anything in my power to avoid, and which, even though resulting in my confirmation, would be likely to leave an element of irritation in the minds of many whose anxieties and sufferings may justify their intense feelings.

Has Decided to Retire

On the other hand, if for reasons of your own you should decide not to renominate me, it is likely to be construed by many as an acceptance by you of a point of view which I am certain you would not wish to sanction. These circumstances, I deem it my duty to state to you myself that it is my firm belief that the interest of the country will best be served if my name be not considered by you in this connection.

"I am frank to admit that I have reached this conclusion with the deepest regret, both on account of its cause and its effect. I have considered it the greatest privilege to serve my country at this time, and I do not abandon lightly a work, half done, in which I am deeply and genuinely interested. But my continuation in office under present conditions might make the board a target of constant attack by unscrupulous or unreasonable people, and my concern to save my conviction that the national welfare must be our only concern. Whatever you may decide to be best for the country will determine my future course. We are at war, and I remain at your orders."

"May your patience and courage be rewarded, and may it be given to you to lead our country to victory and peace!"

Respectfully and faithfully yours, (Signed) "PAUL M. WARBURG." "The President, the White House, Washington."

President Wilson's Reply

"My Dear Mr. Warburg:  
I hope that my delay in replying to your letter concerning your retirement from the Federal Reserve Board has not given you an impression of indifference on my part or any lack of appreciation of the fine personal and patriotic feeling which made that letter one of the most admirable and gratifying I have received during these troubled times. I have delayed only because I was hoping that the Secretary of the Treasury would be here to join me in expressing the confidence we both feel, alike in your great ability and in your unselfish devotion to the public interest."

"Your retirement from the board is a serious loss to the public service. I consent to it only because I read between the lines of your generous letter that you will yourself feel more at ease if you are left free to serve in other ways."

"I know that your colleagues on the board have not only enjoyed their asso-

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With you, but have also felt that your counsel has been indispensable in these first formative years of the new system, which has served at the most critical period of the nation's financial history to steady and assure every financial process, and that their regret is as great as my own that it is in your judgment must now for you to turn to other methods of service.

"You carry with you in your retirement from this work to which you have added distinction, my dear Mr. Warburg, my sincere friendship, admiration and confidence, and I need not add, my cordial good wishes."

Cordially and sincerely yours, (Signed) "WOODROW WILSON," "Hon. Paul M. Warburg," "Federal Reserve Board."

Granting of Use Of Battery Park To U. S. Confirmed

Despite the denial from Washington yesterday that the government had requested the use of Battery Park for war purposes, it was stated at the office of Mayor Hylan that the Committee of War Emergencies of the Board of Estimate had granted such a request, received on July 19 from the Assistant Secretary of War. It is understood that plans for the erection of office buildings, in which to concentrate the various headquarters of the government's war activities in the city, now are under way.

At the Mayor's office it was said the request was based on the fact that the War Department not only needed additional office space, but that at present the various bureaus were scattered in twenty-two different buildings in the city, and needed to be combined for efficient administration. Efforts to find available space in office buildings here had been without avail.

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I find Murad everywhere!

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